97th Congress
2d Session } JOINT COMMITTEE PRINT

EL SALVADOR: THE UNITED STATES IN THE MIDST OF A MAELSTROM

A REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS
U.S. SENATE

AND THE

COMMITTEE ON APPROPRIATIONS
U.S. SENATE

MARCH 1982

Printed for the use of the Committees on Foreign Relations and Appropriations of the U.S. Senate

---

U.S. GOVERNMENT PRINTING OFFICE
90-778 O WASHINGTON : 1982

5182-1
5382-6

LETTER OF TRANSMITTAL

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., February 26, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR MESSRS. CHAIRMEN: Earlier this month, we traveled to El Salvador, Nicaragua and Mexico to examine firsthand the deteriorating economic and military situation in Central America. We are submitting herewith a report to the Committees on Foreign Relations and Appropriations our findings and recommendations.

El Salvador poses for the United States a political dilemma which, however resolved, will lead to profound changes for the people of that war-ravaged land. Congres, and especially the respective Committees, must assess carefully the situation in El Salvador—and its implications—before reaching decisions on further U.S. economic and military assistance there.

It was because of a sense of responsibility as Members of the U.S. Senate that we traveled to El Salvador to examine for ourselves the problems and complexities of the current conflict. While there, we had extensive meetings with government, church, private sector, military, peasant leaders; and we met with representatives of the leading guerrilla organizations in Mexico.

Few current foreign policy issues have aroused as much concern among the American people as has the deepening involvement of the United States in the present civil war in El Salvador. Returning from this visit, we are firmly convinced that the United States is at an historic crossroad in its policy vis-a-vis Latin America in general, and Central America in particular. The decisions we in Congress make in the ensuing months may well carry with them fateful consequences for our nation, and most certainly for the people of El Salvador, for generations to come.

In closing, we wish to thank Father Claude Pomerleau, and staff members Gerald E. Connolly and Edward Brynn for their assistance on this trip and for their thoughtful contributions to this report.

With every good wish,
Ever sincerely,

CLAIBORNE PELL.
PATRICK J. LEAHY.

CONTENTS

	Page
Letter of transmittal	III
El Salvador: The United States in the midst of a maelstrom:	
Introduction	1
I. Nature and brief history of the conflict	1
II. The current situation	3
Human rights	3
The military	5
The March 28 elections	7
Land reform	9
The economy	10
Some final observations	11
III. Conclusions and recommendations	12
Nicaragua: Some observations on U.S. policy:	
I. Background	15
II. The current situation	16
The government	16
The political opposition	17
The church	17
The private sector	18
U.S. aid	18
Human rights	19
III. Conclusions and recommendations	20
Annexes:	
Map of Central America	21
Map of El Salvador	22
Map of Nicaragua	23

EL SALVADOR: THE UNITED STATES IN THE MIDST OF A MAELSTROM

INTRODUCTION

American foreign assistance to El Salvador has grown from $11 million in fiscal 1979 to a likely $325 million in fiscal 1982. El Salvador is now the fourth largest U.S. aid recipient in the world, after Israel, Egypt and Turkey and may surpass Turkey in fiscal year 1983. In the past 12 months, the Reagan Administration has considered U.S. interests in this tiny Central American country to be of such importance that it has: issued a major White Paper detailing arms supplies provided by the Soviet Union and Cuba to guerrillas; reprogrammed earmarked security assistance from Israel and Egypt to El Salvador; dispatched 51 U.S. military personnel to assist the Salvadoran military in training and technical improvements; begun a training program for 1,500 officers and soldiers at Forts Bragg and Benning; and invoked emergency drawdown authority to provide an additional $55 million in military assistance to replace helicopters that were destroyed by insurgents and for additional equipment and training to the armed forces of El Salvador.

Our visit to El Salvador was brief, but our impressions were vivid. The beauty of the countryside dotted with mountains, lakes and rich coffee lands contrasted with the omnious sounds of bombing and gunfire which could be heard each night from our quarters. Beneath the surface splendor of this small Central American country is the pervasive agony of violence. Our memories are still fixed on the sight of two corpses, thrown casually by the road between the airport and San Salvador. The words of Archbishop Rivera y Damas, acting Archbishop of San Salvador, came back to us as we watched the grisly scene of crowds forming around the two corpses: "as a pastor, I call on all parties to stop these vicious cycles of killings and search for a solution, considering all means, to bring about peace."

I. Nature and Brief History of the Conflict

El Salvador, smaller in size than Vermont, contains an estimated 5 million people constituting the highest population density of any mainland nation in our hemisphere. Its birth rate is among the highest in the world, yielding a 3.3 percent growth in population each year. Although the average per capita income is officially pegged at $600, more than half the population earns less than $260 a year. In addition to income distribution, El Salvador's traditional land tenure system has been a source of deep discontent among the country's peasant farmers, the campesinos. In 1973, the top 10 percent of the population, in terms of wealth, owned 78 percent of the nation's land, while the bottom 10

percent income group owned 0.4 percent. Even in March 1980, 60 percent of the country's farmers did not own their own land.

The present conflict has its roots deep in El Salvador's history. Late in the 19th century, a group of coffee plantation owners took control of most of El Salvador's fertile farmlands. Large coffee "fincas" were established by this powerful oligarchy, which were farmed by thousands of landless peasants. In 1882, a court ruling legalized this system, controlled by an oligarchy known as the 14 families until 1931, when General Martinez overthrew President Aranjo. The peasant farmers had not yielded quietly to the oligarchy's power in the interim. Between 1870 and 1900, there were several peasant uprisings, each of which was crushed by the military. In 1932, another revolt with Communist participation occurred, and General Martinez moved swiftly to put it down. It is thought that as many as 15,000 to 20,000 people, mostly campesinos, were killed in the process. In each instance, the pattern was the same: social and economic disparities fueled discontent, and the military, in concert with the oligarchy, quashed the expression of discontent.

By 1972, El Salvador was experiencing a profound political transformation. The Alliance for Progress, begun by President John F. Kennedy in the previous decade, was bringing economic and social improvement to millions throughout Latin America. Political power had been transferred from the military to civilian politicians in other nations in the hemisphere, and the budding private sector of El Salvador was growing restless with military dominance of the antiquated political system. In February 1972, Jose Napoleon Duarte, candidate of the National Opposition Union—a coalition including Christian Democrats (PDC), Social Democrats (MNR), and the Communist Party (UDN) won a plurality in the presidential elections. By virtually all accounts, the military thwarted the electoral process through fraudulent means and declared its candidate, Colonel Arturo A. Molina, the victor. Duarte was subsequently imprisoned, tortured and sent into exile. Political discontent spread throughout the country, leading to peasant takeovers of farmland, student sit-ins and labor unrest at factories.

In 1975, the Popular Revolutionary Bloc (BPR), a coalition of campesinos, workers and students, was formed. By 1977, the coundtry had experienced a mounting wav of violence, including kidnappings, assassinations and sabotage. The response of the oligarchy and military was to line up behind General Carlos Humberto Romero as their candidate for the presidency. Known as a hardliner, Romero defeated Colonel Ernesto Claramount, who headed the National Opposition Union ticket in elections which were widely dismissed as a sham.

The pace of violence quickened with Romero's election. The economic and political deterioration which ensued was so great that the reformist elements of the military, heretofore a distinct minority within the armed forces, decided to intervene. On October 15, 1979, they toppled the Romero government and announced the formation of a revolutionary junta with two colonels and three civilians representing a broad spectrum of political parties. The junta's declared mission was to institute a program of social and economic reforms. In January 1980, Social Democrat Guillermo Ungo and the other

two civilian members of the junta resigned in protest over the military's failure to cooperate in instituting the promised reforms. A second junta was formed when the military brought in Christian Democratic members and accepted the platform of the Party, including a pledge for land reform. Jose Napoleon Duarte entered the new junta in March when some Christian Democrats, including one member of the junta, resigned from the government when they concluded that the military members were not committed to reforms. Duarte became president of the junta in December 1980.

Since 1980, El Salvador has been held in the grip of a bloody civil war. Right-wing death squads and leftist guerrillas have both been accused of murders and atrocities. Varying reports claim that between 15,000 and 30,000 lives have been lost, and, of the 800,000 Salvadorans who have left their country, approximately half have fled due to the war. The magnitude of the tragedy is clearer when comparable statistics are applied to the United States; if the same proportion of U.S. citizens were to become refugees, or be killed in a civil conflict, there would be 600,000 to 1.2 million dead and at least 17 million left homeless.

II. The Current Situation

In the past 12 months the United States has provided staunch support for El Salvador's ruling junta, of which the chairman or presiding officer is President Duarte. Military and economic aid have been increased, and with each increase, concern has grown in Congress and among the American public that the United States is becoming embroiled in a dispute in which we have no clear interests. The Reagan Administration has argued forcefully that the United States cannot allow another Marxist regime to come to power in "our own backyard," in Latin America. In support of its argument the Administration has asserted that there is a considerable flow of arms and supplies from Soviet bloc countries to the insurgents fighting the government in El Salvador through Nicaragua and Cuba. The Sandinista government in Nicaragua has repeatedly been accused by Administration spokesmen of harboring guerrilla leaders and of supplying the guerrilla armies from its own territory.

On several occasions in recent months, Secretary of State Haig has pointedly refused to rule out any options for dealing with the situation in Central America, including the option of sending U.S. military forces into El Salvador. Following is a short assessment of the current situation, as we judged it on our recent visit to El Salvador. Our visit was a brief one, and certainly these observations cannot be presented as definitive comments on various aspects of the unfolding tragedy which is El Salvador; nevertheless, we did meet with many different groups and individuals in that country and returned to the United States with some sense about the direction of events there.

HUMAN RIGHTS

In its certification to Congress, required by the International Security and Development Cooperation Act of 1981, the Administration asserted that "despite formidable obstacles, the Salvadoran Govern-

ment is making a concerted and significant effort to comply with internationally recognized human rights." No one with whom we met in El Salvador could either prove or disprove the Administration's claim that respect for human rights had improved. But our meetings with church officials, human rights groups, refugees, campesino leaders, and others persuaded us that the level of violence has not abated significantly, if at all. No one with whom we met disagreed with the proposition that the majority of the atrocities committed against noncombatants has been carried out by right-wing groups, comprised of, or in league with the national security forces. Repeatedly, the people we met with—refugees, campesinos, church officials, students and teachers—expressed their fear of these security forces; all of them had stories to tell of their brutality. One human rights official told us that the data his group keeps on noncombatant deaths indicates that some 70 percent of the total deaths can be attributed to the rightist elements of the security forces in El Salvador.

It is difficult to ascertain the accuracy of such reports. El Salvador's legal and judicial system collapsed in 1979; there is no central registry for deaths, and many deaths are not reported at all—bodies are found and buried without any fanfare. Murder, assassination and random killing have become commonplace in the past 2 years. No one knows for certain how many people have been tortured, mutilated, and killed in El Salvador; but two things can be noted, based on our meetings and interviews: first, the right-wing, not the guerrillas, inspire fear among most of the people in the rural areas, because of a history of repression orchestrated and carried out by rightist paramilitary forces in the country; second, thousands of innocent people have been killed in the current conflict, some of them by guerrillas but most of them by the government's own security forces or privately organized right-wing death squads.

The judicial decision to retain in custody five of the six men accused of the tragic murders of four American churchwomen was announced while we were still in El Salvador. At the time of the ruling, the Administration hailed the decision as a sign of the revitalization of justice in El Salvador. Two issues, however, remain unresolved:

First, there is the charge made by former Ambassador White and others, that there was complicity in the murders at a high level of the Salvadoran military command. The confidence of the American people in Salvadoran justice cannot be restored unless this issue is given thorough and open consideration during the examination of the case which is now before the Salvadoran courts.

Second, it is important to note that the fact that the judge ruled there is sufficient grounds to keep the accused in his custody does not mean that there will be a conviction. Under the Salvadoran jurisprudence system, the court must now reinvestigate the entire case, including all of the evidence available to it. This process could take months, even years, before it is completed. Furthermore, the judge who agreed to hear this case has very limited legal experience and has already received many threats to his life; other, better known and more experienced jurists in El Salvador have refused to hear this case. All of this is unsettling to those of us who want to see the perpetrators of this heinous crime brought to justice.

One priest told us: "The business of body counts is despicable. It represents the blood flowing out of this country. Whenever you Americans come to our nation, you ask about the murderers of the four American churchwomen, and you are right to do so; but you must also ask about the thousands of teachers, students, priests, workers and campesinos who have also been killed by the security forces. Remember that beneath those four churchwomen lie 10,000 bodies."

Congress has put a high priority on the improvement of human rights in El Salvador because it recognizes that until and unless the Salvadoran Government can put an end to abuses by its own forces, it cannot claim the allegiance of its people. Every new atrocity perpetrated by the government forces, such as recently occurred in Morazan and Cabanas provinces, wins new allies for the guerrillas, and further erodes the confidence of the American people in the nature of the support provided by the United States to the present government.

THE MILITARY

At present El Salvador's total armed forces number 25,000. Between 60–70 percent of this number are involved in static defense—protecting installations, defending army garrisons and the like. Facing these armed forces is a guerrilla army estimated to number between 5,000 and 6,000. The guerrillas use classic guerrilla tactics, which the Salvadoran armed forces seem to be ill-equipped and poorly trained to deal with. Striking in small forces, the guerrillas have cut highways, burned trucks and cars, and destroyed bridges throughout the countryside. These tactics have not only caused serious disruption in transportation and distribution, but have also tied up the government forces in lengthy "search and destroy" missions. Increasingly, the guerrillas have chosen economic targets for sabotage, knocking out electric generating plants, telephone lines, buses and factory production facilities. Since the January 1981 "final offensive" of the guerrilla forces, which was a failure, the insurgents have become more sophisticated soldiers, operating in smaller units and using more coordinated logistics and tactics.

The civil war has basically become a war of attrition—precisely the kind of conflict which, in the long run, tends to favor the insurgents, rather than the defenders. In order to help the incumbent government, the Administration has increased the amount and kinds of military assistance it is providing the Salvadoran military. Five to six hundred new officers are being trained for the army at Fort Bragg, a program which, when completed, will double the military's officer corps which now numbers 600.

When we met with General Garcia, El Salvador's Minister of Defense, he told us that he did not want American soldiers fighting in El Salvador. He did indicate, however, that he would need considerably more military equipment and training. Included in his shopping list were: fixed-wing aircraft, reconnaissance aircraft, more helicopters, communications equipment, radar, radios, ground transport equipment, small sea patrol craft, and more rifles and ammunition. There have been reports, published in the American press, that additional military aid for El Salvador might cost $600 million over a 2- or 3-year period.

The reports of a highly enhanced U.S. military aid program for El Salvador raise serious questions concerning the objectives of the Administration. Congress insisted on conditions in extending aid to El Salvador, including a demonstration that the Government of El Salvador was achieving substantial control over all elements of its armed forces. The Administration's certification notwithstanding, there is scant evidence that the government has exerted such control. The civilians in the government, including President Duarte, have no effective control over the decisions of the Salvadoran military. Such control is held almost exclusively in the hands of figures like General Gutierrez, General Garcia, who has retained the post of Minister of Defense in the various juntas since 1979, and Colonel Flores Lima, Chief of Staff of the armed forces.

According to Colonel Adolfo Majano, a reformist leader of the 1979 coup who has been forced into exile by the military, 40 of 60 officers who were forcibly retired in 1979 because of abuses of authority have been reinstated in military positions. In 1980, when the military junta agreed to a joint government with the Christian Democrats, there was an agreement that Subminister of Defense, Colonel Caranza, and Chief of the Treasury Police, Colonel Francisco Moran, would be removed from their posts immediately. Both men had been accused by the Christian Democrats of gross abuse of authority, and perhaps of complicity in killings. Colonel Caranza was removed, only to be named head of the telecommunications of El Salvador, making him the effective chief of national intelligence, and Colonel Moran still heads the Treasury police reputed to be one of the most brutal branches of the national security forces.

According to General Garcia, there is no formal system of punishment for abuses by members of the Salvadoran armed forces. Members who are guilty of such crimes are cashiered or handed over to the courts for legal action. As has already been noted, the legal system in El Salvador is virtually non-existent. In response to our repeated queries concerning the number of members of the armed forces who had been charged and/or convicted of murder or abuses against civilians, General Garcia provided us a list of 59 National Guardsmen who have been dismissed from service since October 1979, for murder, rape and other crimes. Of the 59 guardsmen, 31 were dismissed having been accused of murder, including the five men charged with murdering the four American churchwomen: 12 were charged with rape and the rest with other "lesser" crimes. Not one name on the list was associated with massacres or the killings of non-combatants in battle areas. There was no information provided to us concerning the outcome of the charges against the men whose names were on this list.

In addition to the issue of the government's control over all its armed forces, increased military aid for El Salvador raises the question of a military solution to the present conflict there. Despite statements by the Administration that the insurgency is being assisted and fueled by "outside" forces, there can be little doubt that the current conflict is distinctively indigenous in its character and its historical roots. The large social and economic disparities which have dominated Salvadoran society bred this revolution, and the severe repression by the ruling oligarchy and its military allies swelled the ranks of the insurgents. All of the military aid that the United States

can provide will not, in itself, cure the ills that plague El Salvador. The resolution of the present conflict cannot, and will not, be a military one.

Increased U.S. military assistance inevitably raises the additional question of expanded numbers of U.S. military personnel to serve as trainers, technical advisers, maintenance and logistics assistants. On February 11, the day we arrived in El Salvador, three U.S. military personnel were filmed by an American television crew. The film clearly showed the Americans, who were supposed to be operating on a bailey bridge project with Salvadoran military men, carrying M–16 rifles slung over their shoulders. Two days later, U.S. Ambassador Deane Hinton announced that two of the three men had received a severe reprimand for disobeying standing orders by carrying the M–16's and that the officer involved in the incident, a lieutenant colonel, was being sent home. Subsequently, the American press reported that the Administration was reconsidering its policy prohibiting the carrying of weapons other than sidearms in order to allow U.S. military personnel to carry M–16's when they are in the field.

Nothing could better symbolize the risks of triggering a deeper U.S. involvement in the Salvadoran conflict than this incident and the Administration's apparent reaction to it. Suddenly, we find U.S. military men traveling with their Salvadoran counterparts in hostile areas of the country; and perhaps this is the beginning of a slide down the slippery, murky slope to a more direct U.S. involvement in the civil war. If the Administration is indeed contemplating a change in guidelines to permit U.S. military personnel to carry M–16's in El Salvador, how far away are we from Americans becoming engaged in a shooting incident with the guerrillas there? Certainly none of us wants U.S. military men unprotected in the case of an attack on them or their groups, but the area between pure defensive protection and offensive initiative is a very thin and gray part of the spectrum. We found this a disquieting incident with some ominous overtones concerning increased U.S. military aid for El Salvador.

THE MARCH 28 ELECTIONS

On March 28, 1982, elections are scheduled for a 60-member national constituent assembly. The assembly will draw up a new constitution and will exercise other powers, many of which, such as the power to replace the present junta with a new government, remain vague and ill-defined. Eight parties had been registered with the Election Commission, although one party, the Partido de Accion Renovadora (PAR) withdrew from the elections while we were visiting El Salvador. The Secretary-General of PAR, the only left-of-center party which had been contesting the elections, issued a written announcement for their withdrawal which condemned the elections as a "charade" designed to create a power vacuum, which would lead to a resurgence of the previous oligarchic dominance of the political system. PAR spokesmen also admitted that the party was having trouble raising money and recruiting volunteers for its election effort.

We met with members of the Election Commission, headed by Dr. Jorge Bustamante, a respected physician in San Salvador. Procedures for protecting the anonymity of voters were explained, including the

use of an invisible ink which is fixed on the index finger of each voter and can be identified only with a special ultraviolet lamp. This system is to be employed in the elections to help ensure that voters will not be punished by opponents of the election for having cast a ballot. Although he cannot determine the number of eligible voters. Dr. Bustamante predicted that the degree of turnout would be higher in El Salvador than in the American Presidential election of 1980.

General Garcia and his aides assured us when we met with them that the military had adopted a "hands-off" attitude toward the elections, and would promise to abide by their results. General Garcia may have been sincere when he made this statement, but while in El Salvador, we received several reports, although unconfirmed, that former Major Roberto D'Aubuisson, a hardline military officer implicated in at at least one coup plot and leader of the far right party ARENA, had appeared at several political rallies attended by military personnel who served as body guards. These same reports indicated that in many areas of the country, military authorities had informed voters that they should support ARENA candidates in the March 28 elections.

It would be naive to believe that, after 50 years of military government, the Salvadoran armed forces would suddenly absent themselves entirely from the 1982 elections; however, if the military were to tip the balance in favor of right-wing parties in the March 28 polls, the legitimacy of the elections would be undermined in the eyes of most international observers. Reports of military involvement in Major D'Aubuisson's campaign are particularly disturbing, if true, because of his well deserved reputation for a militancy that has never before been identified with the democratic process.

None of the parties of the left is participating in the forthcoming elections. The chief non-participant is the social democratic MNR led by Dr. Guillermo Ungo, who is also the head of the Revolutionary Democratic Front (FDR), the broad political front aligned with the guerrilla movement. In their discussions with us, U.S. embassy officials repeatedly emphasized the fact that the left was not participating in the March 28 elections because it "knew it could not win." They cited the fact that the left barely garnered 8 percent of the total vote cast in 1968, with the Communists outpolling the social democrats. There is a specious quality to this line of argument, however.

There has not been a "free and fair" election in El Salvador in over 50 years. Dr. Ungo himself was cheated out of an election victory in 1972, when he ran as Duarte's running mate. Political leaders have been assassinated; President Duarte told us that over 600 members, including 20 mayors, of his own party, the Christian Democrats, had been killed. There has never been a climate of tolerance for political differences in El Salvador, and even apolitical Salvadorans have cause to mistrust the electoral process in their country. As one church official told us: "the military have always promised free and fair elections. And they have always used elections as an instrument to thwart the will of the people." None of this is to say that the March 28 elections may not be different. Expectations of the impact of these elections, however, require a modicum of caution.

The United States has placed its prestige on the line in supporting the March 28 elections as a first step toward a resolution of the El Salvador problem. Everyone we met with in El Salvador agreed that the

elections, in and of themselves, will not resolve the current conflict. Indeed, the elections carry with them a grave risk. Some observers who have followed the campaign now under way in El Salvador believe that parties of the right may well win a working majority of the 60 constituent assembly seats. A victory by the right would dash the hope of the United States which, according to Ambassador Deane Hinton, is "to rebuild a political center" in El Salvador.

If the right wins and if it seeks to undo reforms which have already been instituted, especially the land reform program, it would risk further polarization of Salvadoran society with a concomitant surge in the numbers flocking to the guerrilla banner. U.S. options under such circumstances would be very limited indeed. The March 28 elections will not bestow legitimacy on the Salvadoran Government overnight, nor will they bring about the end of the civil war. At best, in an inhospitable clinic, they can serve as an interim step toward rejuvenating the political expression of the people; at worst, the elections may jeopardize the very thing for which the United States has been working—a political center which promotes social change and espouses a democratic pluralism.

LAND REFORM

The land reform program agreed to by the military and the Christian Democratic party in 1980 included three phases: the first stage, implemented in March 1980, called for the transfer of 376 estates of 1,250 acres and larger to campesino-run cooperatives. The second stage provided for the expropriation of farms of 250 acres and larger and their conversion to cooperatives. The third stage, known as the Decree 207 program, called for transfer of 400,000 acres of farmland, in small plots, to the farmers who tilled the land. Approximately 150,000 campesinos and their families were to have benefitted from the land reform program.

We met with officials of the Union Comunal Salvadorena (USC), the largest campesino union in the country with 110,000 members, who claimed that the land reform program is stalled, and in some areas under assault. Of 300 estates which were converted to cooperatives in phase one, only three titles have been transferred to the new ownership. Fewer than 15,000 of the 150,000 potential beneficiaries of the Decree 207, land-to-the-tiller program, have received provisional titles to the land they have been promised, while an estimated 25,000 campesino families have been evicted from land they were provided under the reform program. Most ominously, the UCS reported, many of the evictions were carried out with assistance from the armed forces. More than 90 officials of the union have been killed; UCS officials identified the perpetrators of these killings as right-wing and security force death squads. The second phase, encompassing the rich coffee lands will not be implemented in the near future.

It is difficult to over-emphasize the importance of the land reform program to the stability and potential success of the U.S. effort to "rebuild the political center" in El Salvador. Because of the implementation of the program in 1980–81, most observers have noted that the so-called "final offensive" of the leftist guerrillas in January 1981, lacked the broad popular support that it might otherwise have engen-

dered. The fact that land reform was going forward under government auspices blunted the guerrilla effort last year. If the present or future Government of El Salvador were perceived by the campesinos to be regressing or even dismantling the reforms, the alienation of the campesinos would, in all likelihood, be complete.

As one campesino leader told us, if the government reneged on its promised land reform, "that would be a shame because that would mean civil war." In other words, the poor farmers of El Salvador would likely join the armed opposition. The fact that there has already been regression in land reform, including the murders of campesino leaders, and the eviction of thousands of campesinos and their families from land they have been promised, is a disheartening sign that the forces of repression and concentrated wealth may still represent the biggest threat to El Salvador's peace and stability.

THE ECONOMY

In the past 3 years, El Salvador's economy has experienced a sharp decline in all sectors. Capital flight alone has grown to $1.2 billion. Gross domestic product (GDP), which had *grown* by an average of 5.9 percent a year in the 1960's and 4.9 percent a year in the 1970's, has *declined* an average of 6.9 percent for each of the past 3 years. This economic decline can be attributed to international economic problems as well as to the civil war which has been raging in this time period. Sugar, cotton and coffee prices fell, while oil prices rose in the 1979–81 period. Private sector uncertainty, caused by the conflict in El Salvador, further exacerbated an already bad economic situation. An estimated $1 billion in traditional foreign bank credit was cut off to Salvadoran producers. After three steady years of decline, by 1981, production was at a level 19.4 percent below that of 1978. Real private consumption was 22.8 percent lower than 1978, while fixed private capital formation decreased by 69.2 percent. Real exports of goods and services stood 22.4 percent lower than 1978, while real imports were 49.2 percent below 1978 levels.

El Salvador's agricultural and industrial sectors have always been dependent on foreign imports for raw materials, fertilizers and capital equipment. Shortages of such goods have become acute in the past 18 months. Despite strict measures to limit imports to production inputs, the Salvadoran Government has found its financing capabilities severely limited. On January 1, 1982, its net reserves stood at a negative $144 million, while its short and medium term foreign debt totalled $920.7 million. The country has almost $110 million in debt arrearages. Government economists estimate that El Salvador will need $1.042 billion worh of imports for basic consumer goods and production inputs to stabilize production levels this year. On the basis of existing and programmed economic assistance, including U.S. aid, the government will encounter a shortfall of $160 million in meeting this goal.

Most of the U.S. economic aid to El Salvador has been used to support balance of payments and to finance imports. At least $180 million will be provided by the United States in fiscal 1982 to finance imports of essential production inputs. This use of U.S. economic assistance, which is the largest source of outside aid for El Salvador, is of critical importance to the national economy. Without U.S. economic aid, the

Salvadoran economy would be brought near to collapse. One statistical analysis demonstrated a correlation of .98 between real gross domestic product and the level of real imports. In other words, production is utterly dependent upon imports; when imports fall, production declines proportionately. The United States is the single largest financer of imports, without which production would plummet.

El Salvador's production capacity, despite large scale economic sabotage, remains largely intact. Its private sector, as one analyst told us "is on its knees right now, but not on its back." Negotiations are presently underway with the International Monetary Fund for $200–$300 million in extended fund facility assistance.

The levels of U.S. support for the Salvadoran economy raise questions about the relationship of dependence. As the Salvadoran economy continues its sharp decline, the need for increasing amounts of U.S. aid will grow. Total fiscal 1982 U.S. aid to El Salvador will constitute almost 10 percent of its GDP. The pressures on the United States' own domestic economy will place severe constraints on our ability to respond to requests for increased aid to El Salvador. In addition, the economy of El Salvador is deeply affected by the ongoing conflict; war and sabotage breed uncertainty which generates capital flight and dries up investment, costing jobs, which breeds discontent, and so on. Until that vicious cycle is broken, El Salvador's economy will not return to health, and even larger amounts of U.S. economic assistance will be required just to prevent the decline from being steeper.

SOME FINAL OBSERVATIONS

On the final leg of our trip, we traveled to Mexico City, where we held meetings with the Foreign Minister of Mexico, Jorge Castaneda, and with representatives of the Frente Farabundo Marti Para La Liberacion Nacional (FMLN)—the guerrilla umbrella organization coordinating the insurgency in El Salvador. The recurrent theme running throughout these meetings was the necessity and urgency for a negotiated settlement to the Salvadoran conflict.

In response to our inquiries concerning the kind of government they are seeking in El Salvador, the guerrillas said that they are committed to a mixed economy with private ownership of capital and to a pluralistic democratic system, not a one-party state; they said they are willing to engage in negotiations without preconditions before or after the scheduled March 28 elections. Clearly, it would be naive to accept such assurances at face value; but the United States could work in concert with other nations in the region, especially Mexico, to press the FMLN and its political front, the FDR, on fleshing out these proposals and drafting a working document that could serve as a basis for subsequent discussions leading to elections with participation by all parties.

Perhaps the most forceful case for negotiations was made by Mexico's Foreign Minister, Jorge Castaneda, with whom we met on Monday, February 15. Acknowledging that Mexico has as much at stake as the United States in the outcome of the present turmoil throughout Central America, Castaneda nevertheless insisted that the military option was not a viable one for El Salvador. "Senators," he asked, "how far can you go with U.S. military assistance in El Salvador? The gov-

ernment there cannot win unless the U.S. intervenes directly, but that is a political price you Americans are not willing to pay."

Castaneda noted that Mexico had been a key intermediary in bringing the United States and Nicaragua together on several occasions, most recently at St. Lucia where Secretary of State Haig and Nicaraguan Foriegn Minister D'Escoto held a lengthy, candid talk on mutual problems. He indicated that Mexico stood ready to convene negotiations among the conflicting parties in El Salvador—a willingness which was recently reiterated by President Lopez Portillo in Managua, Nicaragua. In the Mexican view, the guerrillas are aware of the fact that El Salvador will need economic assistance and that the help of the United States will be crucial. The United States, Castaneda asserted, should join with Mexico and others in encouraging the formation of a coalition government that would end the fighting and begin the process of reconstruction in El Salvador.

We left the meeting with the Foreign Minister, struck by the fact that the Mexicans are concerned with the unfolding events in Central America. Certainly they have as much to be concerned with as does the United States, but the Mexicans have attempted to provide assistance—both to the guerrillas and the Government of El Salvador, in order to remain a viable arbiter when the climate is ripe. One leaves Mexico with the sense that they believe the United States is squandering political capital it otherwise could bring to bear in the negotiation process.

III. Conclusions and Recommendations

(1) *March 28 elections.*—The United States has a great deal at risk in the outcome of these elections. If the international media report that there has been widespread fraud, then the legitimacy and credibility that had been hoped for will evaporate. If the right wing parties, especially Major Roberto D'Aubuisson's ARENA party, win the elections even without fraud, then the United States finds itself backing a government comprised of groups identified with the very repression which engendered the present conflict. At best, the March 28 polling will provide some additional credibility to the hard-pressed political "center" in El Salvador, and move the status of the present junta from a "de facto" to a "de jure" regime.

In any event, the elections will not resolve the present conflict nor will they serve as a substitute for unconditional negotiations among the warring parties. Following the election, Congress, as well as the Administration, should reassess the present U.S. posture in El Salvador. If the far right parties do win a majority, serious consideration should be given to a termination of all but humanitarian aid, since a victory by the right would almost certainly lead to further polarization and increased bloodshed in El Salvador, followed by an eventual leftist victory.

(2) *Negotiations.*—There is no acceptable military solution to the conflict in El Salvador. If the insurgents should win a long protracted guerrilla war, then U.S. leverage over the shape and complexity of the government which is subsequently formed will be very limited. A government formed by victorious guerrillas will not be particularly receptive to importunings from the United States which so heavily supported and supplied the present government. If, on

the other hand, the Salvadoran military wins the war, renewed repression by the right wing could ensue. Many of the men who have been cited for complicity in the repression of the past are still in the Salvadoran armed forces. It is difficult to see how a military victory by the armed forces would not simply rekindle the repressive forces which caused the present civil war in the first place. There is no satisfactory alternative to beginning unconditional negotiations at the earliest possible date if further violence and bloodshed are to be averted. U.S. support for unconditional negotiations would capitalize on the FMLN pledge to participate in them and would enhance our ability to influence the shape of a final settlement of the conflict.

Mexico has indicated its willingness to assist in bringing the conflicting parties together to negotiate a political settlement. It is difficult to see why the United States would not join with Mexico in such an endeavor. Mexico's interests in the region are just as vital to them as are our own to us.

U.S. approval of unconditional negotiations could win the cooperation of not only Mexico, but also of our European allies, particularly the French and the West Germans. In the process of negotiations, agreements could be tendered which would halt the arms flow to both sides of the conflict, coupled with international inspection and monitoring to ensure compliance with such an agreement.

In the last analysis, we come away from a brief inspection of the situation in El Salvador convinced that the aims and objectives of U.S. policy in Central America and the Caribbean would be best served by seeking a peaceful, negotiated solution to the conflict. A future government which includes the parties of the left—even some Marxist elements—is a better gamble for the future peace, stability and prosperity of the region than is the present course on which we are embarked.

(3) *U.S. aid.*—Congress is going to have to scrutinize additional Administration requests for military and economic assistance to El Salvador with great care. Total aid has already grown from $11.4 million in fiscal 1979 to $225 million in fiscal 1982—with prospects for a supplemental request which could yet boost the total by another $100 million. There is a limit to how much aid can be provided to El Salvador, although it would not serve the purposes of this report to set an arbitrary number here. Nevertheless, all of us in Congress will be hard pressed to justify any additional dollars for foreign aid in 1982—a year in which the U.S. economy itself is being buffeted by rising unemployment and interest rates and a limited Federal budget.

As public doubts and concerns about the course of U.S. support for the present Salvadoran Government grow, Congress will be that much more reluctant to provide a blank check to the Administration. The amounts and kinds of military aid requested must receive special attention by the Congress. A reported $600 million military aid pledge, spread out over several years, would, if enacted by Congress, constitute an enormous increase over current levels of such aid to El Salvador. Implicit in such aid requests is the notion that the El Salvador problem will yield itself to a military resolution; in our view, this is an utter misreading of the causes and historical roots of the present conflict. Fundamental economic and social problems, which characterize most of the Central American region, will not be solved

by providing more and more weapons to the military. It was this very recognition that motivated Congress to insist on conditions for further aid to El Salvador, conditions which are contained in the certification requirement of Public Law 97–113.

(4) *Conditions of U.S. aid.*—Congress ought to consider tightening the conditions on additional aid to El Salvador. In our view, there are three primary conditions which must be met in order for the United States to continue aid to the Government of El Salvador:

(a) The land reform program must continue to go forward and at an accelerated pace. Instances where legitimate beneficiaries of the program have been evicted from land to which they are rightfully entitled must be reviewed and reversed. Without land reform, there can be no political center in El Salvador.

(b) Fundamental reform of the armed forces must be undertaken; individuals who have been identified with repression and human rights abuses, including high level members of the military, must be removed. Civilian members of the government must be given control over the Salvadoran military if the word "government" is to have any real meaning and the reforms instituted have any real impact.

(c) The Government of El Salvador must take steps toward participating in unconditional negotiations with the armed opposition—the FMLN and its political arm, the FDR.

NICARAGUA: SOME OBSERVATIONS ON U.S. POLICY

In conjunction with our visit to El Salvador, we also travelled to Managua, Nicaragua where we met with members of the Sandinista Junta, ministers of the government, representatives of opposition political parties and of the private sector, church officials, and human rights groups. Our purpose was twofold: first, to ascertain the present direction of the Nicaraguan Government, including its attitude toward a pluralistic democracy; and secondly, to review the problems between our two governments, especially the issue of arms supplied through Nicaragua to Salvadoran guerrillas, and to explore possible avenues of reconciliation.

I. Background

On July 17, 1979, Nicaraguan President Anastasio Somoza Debayle resigned his office, thus ending 40 years of almost unbroken Nicaraguan rule by the Somoza family. Somoza's resignation, sanctioned by the United States and most of the Latir American republics, ended a 2-year civil war which had been waged by the Frente Sandinista de Liberacion Nacional (FSLN), a leftist-oriented, but broad-based guerrilla force, against the Somoza government and the Nicaraguan National Guard. The Sandinista victory was welcomed by most elements of Nicaraguan society, and was met by the Carter Administration with a promise of $75 million in new economic assistance to help rejuvenate the national economy and start the process of post-war reconstruction.

Nicaragua, the largest of the Central American nations, has been no stranger to United States involvement in its internal affairs. In the mid-nineteenth century, an American adventurer, William Walker, actually established himself as president of the country for 2 years until rival political factions in Nicaragua put aside their differences temporarily to expel him in 1857. In 1912, United States Marines actually occupied Nicaragua to help put down political unrest which had reached violent proportions, thus beginning a long period of active U.S. interference in the domestic economic and political scene which lasted until 1933.

Since 1979, United States-Nicaraguan relations have experienced a steady deterioration. Both the Carter and Reagan Administrations have charged the Sandinista Junta with harboring Salvadoran guerrilla leaders, and with supplying those guerrillas with weapons acquired from the Soviet bloc countries. Nicaragua has responded with charges of its own, accusing the United States of deliberately creating a negative image of the Sandinista Junta as fostering "another Cuba in the making" in order to rationalize direct or indirect U.S. intervention. The Nicaraguan Government has repeatedly denied U.S. assertions that it is supplying Salvadoran guerrillas, or that it is organizing its society as a Communistic, totalitarian state.

II. The Current Situation

Our stay in Nicaragua was brief, such that we come away from our meetings there with only impressions of the leaders of the country, and the direction in which they seem to be taking it. Our impressions were bolstered by extensive consultations with the private sector which, although somewhat under siege today, remains vigorous and dedicated to a future Nicaragua that encourages a pluralistic political system and a mixed economy.

THE GOVERNMENT

We met with two leading members of the nine-member National Directorate—the chief executive organ of the FSLN. Commandantes Daniel Ortega and Bayardo Arce are both former guerrilla leaders, neither of whom is older than 40 years of age. Both professed a desire for cordial relations with the United States but cited the history of U.S. interventionism in their country, and pointedly alluded to the bellicose rhetoric of the Reagan Administration as justification for a build-up in their armed forces and national militia. They freely admitted that they are accepting help "from all sources" including the Soviet Union and Cuba. They indicated their willingness to cooperate in the search for a peaceful political settlement to the conflict in El Salvador, and reiterated an offer previously made public in the United States by Foreign Minister Miguel D'Escoto, that they would agree to a joint border and sea patrol with Honduras to stem the flow of arms to Salvadoran guerrillas *and* to seal off access to former Somoza National Guardsmen who have been raiding Nicaragua's own eastern coast.

We were impressed with the fact that this is a fledgling government comprised of many youthful, inexperienced ideologues who seem better adapted to attending a Marxist seminar than to running a modern government. Time, and some years of experience, might help soften their ideology, and broaden their views of U.S. intentions. There were, however, other officials who seemed sincerely concerned with the development of their country. There was one theme which was a constant in our meetings with government leaders in Nicaragua, and that was their conviction that the Reagan Administration is involved in a strategy to overthrow their revolution. They cited the fact that former guardsmen of Somoza have been training in camps in Florida and California, without U.S. interference. In recent months, there have been several clashes between these ex-guardsmen and Sandinista forces. The Nicaraguan Junta claims that at least 60 of their troops have been killed in these attacks across their border with Honduras.

It was impossible for us to determine with any certainty, the extent of the Marxist or Communist influence inside the present Nicaraguan Government. Certainly there are hardline Marxists in the national directorate who would like to see their country follow the Cuban model. There are others, however, who appreciate the constraints Nicaragua faces in trying to go that route. A strident U.S. policy which "writes off Nicaragua" or which, according to reports appearing in the U.S. press while we visited Nicaragua, would orchestrate an elaborate covert plan of destabilization can only serve to strengthen the hand of the hardliners, and weaken, if not jeopardize the very forces of pluralism we purport to assist.

THE POLITICAL OPPOSITION

We met with leaders of five political parties in Managua. All of the representatives of these parties—ranging from Conservatives and Social Christians to Social Democrats—asserted that they feared Nicaragua was moving to a one-party state. They cited as evidence, the facts that the FSLN retains complete control over the national army, denies political opposition access to television, and has prevented mass rallies. They pointed out that Managua's leading newspaper, *La Prensa*, had been closed six times in the past 2½ years for publishing stories critical of the FSLN. Three members of COSEP—a private sector umbrella organization—had also been jailed for publishing statements which criticized the direction of the Nicaraguan Government.

When we turned to the subject of what the United States could or should do to alter the present trend in Nicaragua, these members of the political opposition were unanimous in urging that we continue to provide *overt* economic assistance to "the forces of pluralism" such as the private sector, the church, and the campesino organizations. Several participants in the discussion took issue with the Reagan Administration's policy vis-a-vis Nicaragua. "Our party disagrees with Reagan," one representative stated, "what aid you provide us should be open for all to see. You should stop assisting the exguardsmen of Somoza because it only hurts us, and helps the FSLN."

All of the representatives of the various parties expressed their opposition to any U.S. military intervention in their country, as something that would only prove counterproductive. They emphasized their desire to return Nicaragua to the three basic principles that guided the revolution which overthrew Somoza: (1) establishment of a political pluralism; (2) a foreign policy of strict non-alignment; and (3) a mixed economy that allows for private control of production and capital accumulation.

The Nicaraguan Government has stated its intention to hold elections in 1985. Most of the political opposition to the FSLN agreed that 1985 would be "soon enough" as long as they are allowed to organize, raise campaign funds, and hold their own mass rallies with access to the country's media. Prior to those elections, the government will have to promulgate an election law which will govern the kind of campaign allowed to unfold.

THE CHURCH

The Roman Catholic Church finds itself divided in Nicaragua. Many members of the clergy, and at least one bishop, are enthusiastic supporters of the revolution that overthrew Somoza, and the FSLN which succeeded his government. There are other elements of the church, however, who though opponents of Somoza, now look warily on the Sandinista government that has curbed church access to the media, and claimed that travel invitations from U.S. bishops are CIA plots.

We met with the Archbishop of Managua, Obando y Bravo. A longtime critic of the Somoza regime, the Archbishop is now a leading opponent of the excesses of the current government. He told us that the Sandinistas had the full support of all Nicaraguans in 1979, but that their image had deteriorated with jailings of opponents, and closures of radio stations and newspapers that dared to criticize various policies of the new government. The Archbishop urged that the

United States "cajole, rather than coerce" in its relations with the government and that we provide aid "that reaches the people."

THE PRIVATE SECTOR

Just prior to our meeting with leaders of COSEP—a private sector umbrella organization which has 114 members—we were asked to meet privately with Commandante Arce of the Sandinistas' national directorate. Arce informed us that Commandante Ortega was going to announce the release of three COSEP officials who had been jailed since November 1981. He told us that the release of the COSEP officials was to be seen as a sign that the government wanted to support the private sector, so long as the business community respected the laws and government policies. "We want to stress," he added, "that the revolution is difficult to implement with so many competing pressures . . . but we must be allowed to find our own way." In subsequent press interviews, U.S. embassy officials were quoted as saying that the release of the COSEP officials was clearly timed to coincide with our visit to Managua.

The release of three of their officials added an atmosphere of cautious optimism to our meeting with COSEP. Although the government nationalized all mining, fishery and forestry industries right after the 1979 revolution, most of the industrial sector, and most agriculture is still in private hands. The businessmen with whom we met were concerned about the future, but still willing to stay and fight for their principles. One participant in our meeting expressed their feelings in a simple, eloquent way: "All of us who joined in the fight against the dictator (Somoza) drew up a document in 1979 which promised a free and open political, social and economic system for Nicaragua. Since the revolution, COSEP and others have pointed out the deviations of the FSLN from those earlier promised freedoms. Today we hardly know where the state begins, and the party ends, but we have decided to stay here and to make this a true democracy. We ask our friends to help us but we will make this civilized fight by ourselves, without weapons, and without bloodshed."

U.S. AID

Currently, the United States is planning a total bilateral aid program of $11 million for Nicaragua; only 2 years ago, the United States disbursed $100 million in economic assistance. All present U.S. assistance is channeled through the private sector—cooperatives, agricultural credit unions, scholarship programs, and private voluntary organizations. There is no military aid to the Government of Nicaragua. United States aid is a tiny fraction of the estimated total aid of $400 to $500 million from all donor countries, and consequently, U.S. leverage in Nicaragua's economy and the government ministries is small.

Nearly everyone we met with outside of the government encouraged us to continue economic assistance to the private sector of Nicaragua. We left the country rather firm in our conviction that more of this kind of aid could strengthen the pluralistic forces of that society with which we wish to be identified, while also building bonds of understanding between two countries whose relationship has fallen

upon some difficult times. Certainly increased scholarships for young Nicaraguans to study in the United States can only serve to enhance the image of the United States in Nicaragua, and at the same time help to offset the increasing presence and influence of Cuban doctors, teachers, and technicians who are presently working there. Similarly, U.S. economic assistance to farm cooperatives, producer groups, credit unions and the like will help shore-up the role of private entrepreneurship in agriculture. There is great potential benefit to be reaped from a bilateral economic aid program in Nicaragua if it is managed wisely, and if it is not entangled in the large ideological confrontation that looms ominously on the horizon.

HUMAN RIGHTS

The Sandinistas' record on human rights is mixed. On the one hand, the brutality of the Somoza regime, the pattern of human rights violations in the form of generalized use of torture, murder and beatings, seems to be absent in Nicaragua today. On the other hand, there is a pattern of harassment, imprisonment, and some harsh treatment of opponents or critics of the government. There have been reported cases of inhumane treatment in the prisons, especially for the estimated 4,000 ex-guardsmen from the Somoza era who are still held in custody. There have been isolated incidents of killings, including one COSEP leader, which seem to have been politically inspired. Most of the criticism we encountered within Nicaragua, however, focused on the government's failure to keep its promises of freedom of speech, political assembly, organization, and participation. "In some ways, the FSLN are worse than Somoza," one human rights advocate told us, "because Somoza never promised to abide by any international standard of human rights, but the Sandinistas came to power promising a democratic society and such things do not happen in that kind of society."

The one major violation of human rights which has received attention in the international media involves the recent decision of the government to forcibly remove 10,000 Miskito Indians from their homes on Nicaragua's east coast and relocate them in the interior of the country. One U.S. official with whom we met in Mexico insisted that the Sandinistas were engaged in genocide against the Miskitos. We did not receive any information that would substantiate the charge of genocide in Nicaragua. We most certainly did receive reports, from two separate sources, that at least 10 or 11 Miskitos had been killed by the army in their forced relocation, and that several villages had been torched.

Although the Nicaraguan Government claims that it has moved the Miskitos because they resided in an area that was being used for infiltration by former Somoza guardsmen from Honduras, many in Nicaragua believe that the relocation is also an attempt to tame a cultural minority that has long resisted the efforts of any central government control over their lives and mores. Reports indicate that the Miskitos are being held in camps, and are not allowed to leave; after 8:00 p.m. each evening, they are not even allowed to move from one location to another within the camps. Whatever the justifications proffered by the Nicaraguan Government, we were concerned about reports that the

treatment of the Miskitos has been harsh and inhumane. The world will be watching to see if the Sandinistas deliver on their promise to provide these people with the land, tools, housing and resources they will need to rebuild their lives, free from the fear that they will be persecuted or further harassed by the central government in Managua.

III. Conclusions and Recommendations

We are concerned about the drift that has occurred in United States-Nicaraguan relations over the past year. A highly charged atmosphere in which the United States accuses Nicaragua of becoming a Communist State, and the Nicaraguans accuse the United States of seeking to overthrow their revolutionary government has created a sense of deep concern among friendly Latin neighbors such as Mexico and Venezuela. The following conclusions and recommendations are intended to serve as a basis for improving relations between our two countries, and to promote a more constructive, cooperative modus vivendi.

(1) The United States ought to maintain, and expand if possible, its bilateral economic assistance channeled through the Nicaraguan private sector. Every effort should be made to finance projects that benefit those sectors of Nicaraguan society which can contribute to a more pluralistic democracy.

(2) The United States should not approve any covert plans to destabilize the present Government of Nicaragua. Such plans, if they exist, risk strengthening the elements of the government we seek to weaken, while jeopardizing those elements of society we purport to help. In addition, reports of covert destabilization further strain ties between the United States and our Latin neighbors who cannot lend their support or approbation to any effort which involves external interference in the internal affairs of countries in the hemisphere.

(3) Nicaragua's offer to engage in joint border and sea patrols with Honduras ought to be examined and pursued by the United States. Explicit in the Nicaraguan offer is a *quid pro quo:* an agreement to stem the flow of arms to guerrillas in El Salvador from their territory, while also preventing further infiltration of ex-Somoza guardsmen through Honduras into Nicaragua.

(4) Mexico's offer to conciliate differences in the region, including differences between the United States and Nicaragua, should be given serious consideration by the Administration. Mexico can be an effective and persuasive ally in urging the Sandinista government to chart a course that is independent of other powers in the region, and that allows for a pluralistic evolution in Nicaragua.

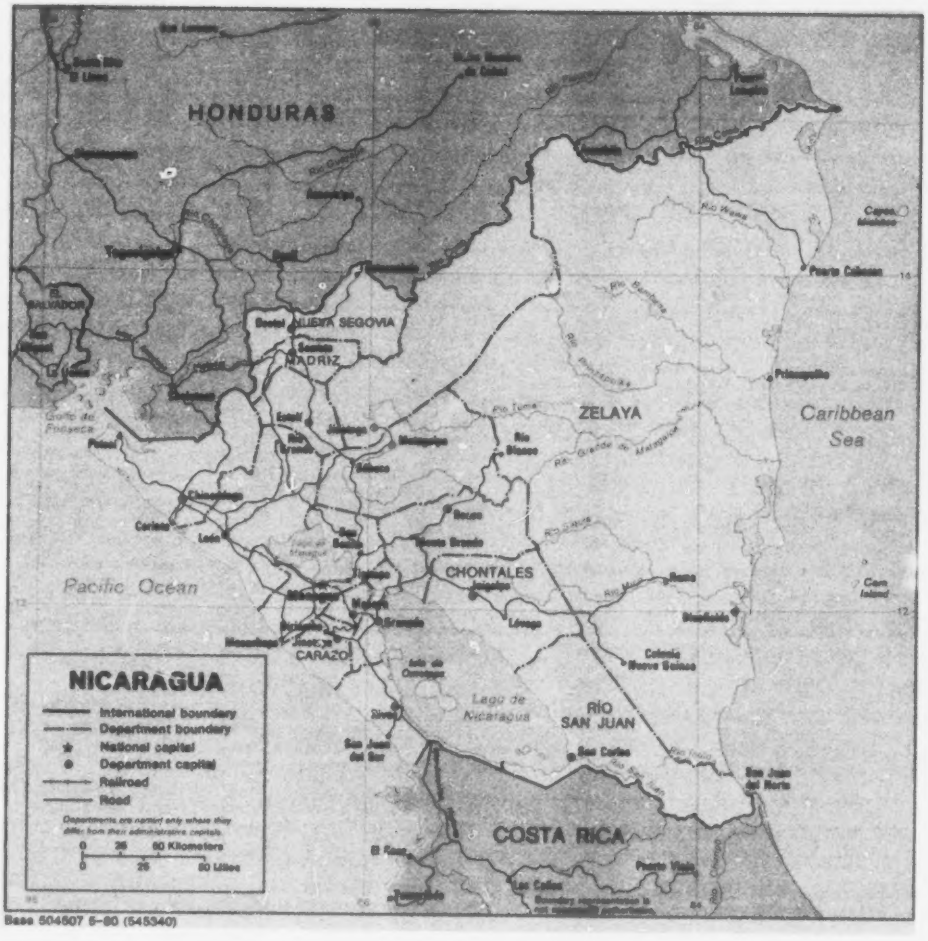
(5) The Administration should tone down its rhetoric concerning Nicaragua. We left that country with a belief that the door is not completely closed to positive change in a more democratic direction, but that recent U.S. actions and rhetoric have contributed to a kind of siege mentality in Nicaragua that does not serve U.S. interests. The United States should not hesitate to criticize the FSLN for its deviations from previously agreed to principles, but as one prominent Nicaraguan urged, "cajole rather than coerce."

The present posture of the Administration could produce the very result it is designed to avert, namely: the isolation and condemnation of Nicaragua as a stooge of the Soviets and Cubans, eerily remini-

scent of the U.S. treatment of Cuba in the early 1960's, could prove self-fulfilling and in fact create a mini-Cuba in our hemisphere by persuading the Sandinistas that they have no choice but to turn to the Soviets and their allies for assistance. If it is the avowed goal of the United States to avoid such a development, then certainly it is worthwhile to examine other ways to achieve an acceptable outcome in Nicaragua. And, in the worst case scenario, we would then be left with a mini-Yugoslavia, which is a lot more preferable than a mini-Cuba.

BEST COPY AVAILABLE

BEST COPY AVAILABLE



Base 504507 5-80 (545340)

BEST COPY AVAILABLE